

City of Flagstaff

Transaction Privilege Tax Return Instructions

Please note the back of the enclosed transaction privilege tax return for the City of Flagstaff. Each deduction is assigned a code which is listed in a separate column. This is for internal purposes only.

STEP BY STEP INSTRUCTIONS

Refer to the sample TPT.

The following numbered instructions correspond to the numbered sections of the sample return.

- 1 If applicable, check the small box to the right. If license is to be cancelled, check the third box and indicate the reason.
- 2 If applicable, check the small box to the right and print the name, address, and phone number of the new owner in the space provided.
- 3 **Business Description** identifies your type of business and is preprinted.
- 4 **Bus. Class** identifies your classification of business by stat code and is preprinted.
- 5 **Sfx** is the two digit location suffix and is preprinted.
- 6 **Gross Income (Column 1):** Enter the gross *sales* or gross *receipts*, including tax collected, for each applicable business class and suffix. If you report on the cash basis, enter the total amount received, including draws for construction contracting, in the reporting period. If you report on the accrual basis, enter the total amount per customer invoices, including progressive billings for construction contracting, in the reporting period. Show exact dollars and cents in each column.

6 If you have no income to report, check the box above the business description column.
If you file quarterly, combine the gross income for the three months and enter the sum for each business class and suffix. **Do not list the income for each month of the quarter.**
- 7 **Deductions (Column 2):** Enter the **total** deductions from the bottom row of the back of the return for each applicable business class and suffix. Refer to steps 17 through 21. Deductions in column 2 which are not itemized on the back of the return will be **DISALLOWED**.
- 8 **Taxable Income (Column 3):** Subtract total deductions in column 2 from gross income in column 1.
- 9 **Tax Rate % (Column 4):** The tax rate for each business class is preprinted. Convert the tax rate to a decimal when computing the tax amount, for example, 1.601% becomes .01601.
- 10 **Tax Amount (Column 5):** Multiply column 3 by column 4 for each business code.
If your return consists of more than one page, enter the total of the tax amounts in column 5 from the additional pages on line 5 of the signature page.
Add lines 1 through 5 in column 5 and enter the result on line 6 column 5.
- 11 **Line 6:** If more tax was collected than is due, enter the city portion of the excess tax collected.
- 12 **Line 7:** Enter the amount on lines 5 and 6 in column 5.



STEP BY STEP INSTRUCTIONS

Refer to the sample TPT.

The following numbered instructions correspond to the numbered sections of the sample return.

Retain for Your Records

- 13 **Line 8:** If the return is filed after the last business day of the month, a 10% late payment penalty and late filing penalty of 5% per month or any portion of a month are assessed for late or unpaid taxes. The maximum total of these penalties is 25% of the tax due. The interest rate is currently 7% per year. (Note that the interest rate on the tax return of 1% per month no longer applies.) Daily interest accrues for fraction of the month.

Leave this line blank if you want the City to compute the penalty and interest.

- 14 **Line 9:** If you received a notice of a credit balance, enter the amount to be subtracted from the tax due. Do not exceed the total tax due when subtracting a credit. The notice does not have to be attached.

- 15 **Line 10:** If you have a credit balance, subtract the amount on line 9 from the amount on lines 7 plus 8; add the amount on line 8 to the amount on line 7 if you have penalty and interest.

- 16 **Line 11:** Enter the amount of the check. Write your license number on the check, payable to City of Flagstaff. Do not staple the check to the return. If no payment is being made, enter zero.

Instructions for Back of Return

Deduction Detail:

- 17 The four columns correspond to the four lines on the front of the return for the business class/description (see step 3, 4). Enter the preprinted business class code below "Bus. Class" in the space provided.

- 18 To the left of the columns are printed deductions. If a deduction which you are allowed to claim is not listed, enter the name of the deduction on the line for "Other" near the bottom and enter the amount in the column relating to the business class.

- 19 Enter the amount of each deduction on the appropriate deduction line for each preprinted business class.

- 20 A deduction code is assigned to each printed deduction; this is for internal coding purposes.

- 21 **Total Deductions:** Add the deduction amounts in each column and enter the sum at the bottom of the return for each column. Transfer the total of each column to the corresponding line in Column 2 on the front of the return.

If you have any questions, please call 928/779-7614

CITY OF FLAGSTAFF TRANSACTION PRIVILEGE (SALES) TAX RETURN
P O BOX 22518 FLAGSTAFF, AZ 86002-2518

CITY LICENSE NO 80012345
REPORT PERIOD 09/2005
DELINQUENT IF NOT RECEIVED BY: 10/28/05

THIS RETURN IS DUE ON THE 20TH OF THE MONTH

Acme Plumbing
 1 East Easy Street
 Flagstaff AZ 86001

SAMPLE RETURN

6
☐ Check box if there is no income to report and sign at bottom.

1 Check box to have a form sent for a change of business location. ☒

1 Check box to have a form sent for a change of mailing address ONLY. No change to actual business location. ☐

1 Check box and sign at bottom to cancel your license. Reason: _____ Effective Date: _____ ☐

2 Check box if your business has been sold. Give name, address & phone number of new owner. _____ ☐

3		4	5	6	7	8	9	10	
Business Description	Line	Bus. Class	Sfx	Column 1 Gross Income	Column 2 Less: Deductions	Column 3 =Taxable Income	Column 4 x Tax Rate %	Column 5 = Tax Amount	
Contracting	1	1700		41,814.09	19,085.44	22,728.65	1.601%	363.89	
Repairs	2	7600		1,370.18	380.43	989.75	1.601%	15.85	
	3								
	4								
	5	TOTAL FROM ADDITIONAL PAGES							
	6	ENTER EXCESS CITY TAX COLLECTED						Plus (+)	
	7	GRAND TOTAL (Add Column 5, Lines 1 through 6)						Equals (=)	379.74
	8	PENALTY & INTEREST (see instructions)						Plus (+)	
	9	ENTER CREDIT BALANCE TO BE APPLIED						Equals (=)	
	10	ENTER NET AMOUNT DUE						Equals (=)	379.74
	11	ENTER TOTAL AMOUNT PAID							

Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief is true, correct and complete.
 Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

 Taxpayer's Signature
 Dick Jones

 Print Name

9/26/2005

 Date
 214-1111

 Phone #

 Paid Preparer's Signature

 Print Paid Preparer's Name

A SIGNATURE IS REQUIRED TO MAKE THIS RETURN VALID
THIS RETURN MUST BE FILED EVEN IF YOU HAVE NO TAXES TO REPORT

Return original with remittance in envelope provided.
 Please make check payable to: CITY OF FLAGSTAFF
 Please include city tax license number on your check.

CITY OF FLAGSTAFF, ARIZONA

DUE DATE: The due date for the city privilege tax is the 20th of the month following the reporting period. A return is considered timely if received by the last business day of the month. A business day is any day except Saturday, Sunday or a legal city holiday.

POSTMARKS ARE NOT EVIDENCE OF TIMELY FILING.

- PENALTIES:**
- 1. Late Filing/Failure to File - A penalty of 5% of the tax due will be assessed for each month, or fraction elapsing between the delinquency date of the return and the date on which it is filed. Filing your return on time, whether or not you pay the tax due, will avoid the late filing penalty.
 - 2. Failure to Pay - A penalty of 10% of the unpaid tax will be assessed if the tax is not paid timely.
 - 3. Total Penalty - Total penalties assessed will not exceed 25%.

INTEREST: Taxes received after the delinquency date will be assessed interest at an annual rate of 7% until paid. The interest MAY NOT be abated by the Tax Collector.

- CHECK YOUR RETURN:** Check the amounts recorded by type of income for each line item as follows.
- * Itemized deductions equal the total deductions recorded.
 - * Taxable income equals gross income less total deductions.
 - * Tax due is equal to the amount obtained by applying the preprinted tax rate to the taxable income amount.
 - * Total tax due equals tax due plus any excess tax collected.

FOR ASSISTANCE, CALL: City of Flagstaff (928) 779-7614

SCHEDULE A - DETAILS OF DEDUCTIONS: Enter below the deductions and exclusions you used in computing your city transaction privilege tax. You must keep a detailed record of all deductions and exclusions. Failure to maintain proper documentation and records required by city ordinance may result in their disallowance. A separate detail of city records and documentation must be maintained only when the income, deductions or exemptions are different from state requirements.

Please note: Not all deductions are available to all business classifications.

NOTE: The line number at the top of each column below correspond with the line number of the business descriptions listed on the front page

Deductions	Code	Bus. Class	Bus. Class	Bus. Class	Bus. Class
		1700	7600		
		LINE 1	LINE 2	LINE 3	LINE 4
Total Tax Collected or Factored (State, County and City)	11	1,846.93	80.43		
Bad Debts Write-Offs	12				
Sales for resale	3				
Service Labor	5		300.00		
Returns and Discounts	2				
Exempt Institutes	13				
Gasoline Sales	16				
Government Sales	4				
Out of City Sales	9				
Out of State Sales	10				
Land Deduction-Fair Market Value	8				
Std 35% Contractors Deduction	6	12,238.51			
Subcontracting	7	5,000.00			
Exempt Food Sales	1				
Prescribed Drugs	18				
Prosthetics	17				
Delivery Charge/Freight Out	14				
National Advertising	15				
Other (explain)	19				
Transient Lodging (more than 29 days)	20				
Income-Producing Capital Equipment	21				
Total Deductions		19,085.44	380.43		